

ITASCA COUNTY

GARRETTOUS LAND COMMISSIONER

Itasca County- Land Department
1177 LaPrairie Avenue
Grand Rapids, MN 55744-3322
218-327-1855 -Fax 218-327-4160



April 14, 2008

RE: Itasca County's Regional Rail Authority
Finance Docket No. 34992
Decision ID. 438849

Kenneth Blodgett
Project Manager
Surface Transportation Board
Patriots Plaza, 395 E Street SW
Washington DC 20433

Dear Mr. Blodgett:

Itasca County (IC) and the Itasca County Regional Rail Authority (ICRRA) wish to comment on the Environmental Assessment for the ICRRA Petition for Exemption Construction of a Line of Railroad in Itasca County, Minnesota. This project and the Minnesota Steel Industries, LLC (MSI) project near Nashwauk, Minnesota are important economic developments for Itasca County and northeastern Minnesota. Itasca County and its Rail Authority have been supportive of these projects for several years and look forward to seeing construction started.

MSI has completed their environmental investigation and have secured the necessary permits to begin construction in June of 2008. The STB's EA is an important step in the ICRRA process of getting their necessary permits.

We have the following comments on the Environmental Assessment, dated March 28, 2008:

- 1) The County and the Rail Authority are in agreement that Alternative 2 is the least environmentally damaging alternative. The County and the Rail Authority will continue during the design process to use the best practices and design features to further reduce the environmental impact during construction and operation.
- 2) The County and Rail Authority support your recommendation that an Environmental Impact Statement will not be needed,
- 3) Based on further engineering design that has been running parallel to the EA process, the westerly terminus will be located one half mile east of County Road 7. This will eliminate the need to cross the unnamed tributary of Holman Lake (page 2-12), eliminate the need to modify the CN bridge over County Road 7 and the track will be shortened by approximately .5 miles.
- 4) Based on further engineering, a more favorable alignment is being studied that will encroach on a northwest corner of the Hill Annex State Park. ICRRA have been in discussions with the Minnesota Department of Natural Resources (MnDNR) about leasing approximately 1 acre of Park land for the Railroad track. Attached is a letter from the MnDNR regarding these discussions. The revised alignment is being studied to reduce wetland impacts and avoiding an abandoned iron ore mine. The Hill Annex State Park is a unique in the Minnesota State Park system because the land is a former iron ore mine and future mining is an approved activity. MSI has approximately 160 acres of Park land under their mining lease.

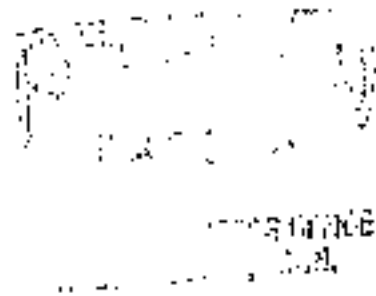
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- Sincerely,

And how?

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